



# **Request For Proposal (RFP) Southern California Drought Assistance Funds – Wood Processing/Operations**

**County of San Bernardino  
Department of Economic and Community Development  
290 North 'D' Street – Sixth Floor  
San Bernardino, CA 92415  
April 2004**

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## **BACKGROUND**

The Bark Beetle infestation in our mountain forest areas has created an immense fire hazard. Various fuel reduction programs and projects are underway directing resources toward the removal of the dead and dying trees. The massive amount of timber being removed from the mountain fire hazard areas has created an unique opportunity to develop public/private partnerships that aid in the processing of the wood biomass, bringing value to the otherwise infested wood.

Toward this end the County of San Bernardino Board of Supervisors has accepted a grant from the U.S. Forest Service that sets aside \$2.5 million to assist projects that increase the economic value of the removed trees using existing and proven technologies and that can be implemented in a timely manner.

This Request for Proposal (RFP) has been developed in order to solicit projects for funding consideration by the County and provides the basic information necessary for submittal of a project proposal detailing what can be funded and the evaluation process.

Project proposals are solicited only from qualified proposers that have the required experience to utilize the removed biomass in an economical manner that excludes incineration, landfilling, and/or land farming. The ideal project proposal would be from an experienced credit worthy business requesting a low interest loan of up to \$500,000 in public funds for a project that is highly leveraged with private financing/owner equity and processes large volumes of wood biomass in a timely manner, using proven technologies. However, funding options to be considered by the County include loans and/or subsidies to those proposed projects selected.

For a proposed project to be eligible to receive funding through the County's United States Forest Service (USFS) Grant, the project must comply with the guidelines of the County's USFS grant (Activity No. 2 of Exhibit A), be credit worthy, have a capable management team on board, demonstrate the economic value of the proposed utilization of the biomass, and use proven technology. Research and development projects are not being solicited through this RFP.

Depending on the proposed projects received, and subsequent project selection, the County reserves the right to fund any project in its entirety or a portion thereof, multiple projects, one, or reject all projects that result from this RFP.

## SCOPE OF RFP

### 1. Projects

Projects to be considered for funding through this RFP include but are not limited to co-generation plants, hog fuel manufacturers, log sorting lots, palletizers, sawmills, wood product manufacturers, and others projects deemed as a viable use of the Bark Beetle biomass. Each project shall be reviewed on a case-by-case basis.

### 2. Project Development Activities

Funding may be used for many development activities of a project. Such development activities may include, but are not limited to engineering, permits, land purchases, building purchases, land leases, equipment, on-/off-site infrastructure, and raw material and finished material product transportation costs as further discussed herein.

Equipment acquisition may include tub grinders, primary or secondary milling equipment, dry kilns, and rail cars/locomotives. Off-/on-site construction of infrastructure may include, but are not limited to, roadways, flood control, erosion control, utilities, rail track, rail switches, asphalt/concrete paving, and grading.

Project development activities that will **not** be funded include, but are not limited to, building construction, biomass incineration, biomass landfilling, and/or biomass land farming.

### 3. Funding Options and Project Development Activities

As stated in the Background, the County has made \$2,500,000 available to assist the funding of proposed projects as solicited through this RFP. Funding options to be considered by the County include loans and/or subsidies to those proposed projects selected. Depending on the proposed projects received, and subsequent project selection, the County reserves the right to fund any project in its entirety or a portion thereof, multiple projects, one project, or reject all projects proposed as part of this RFP process.

Eligible project development activities that shall be considered for funding through the **loan** process shall include, but not be limited to, land purchases, building purchases, land leases, equipment, on-/off-site infrastructure, working capital, and raw material and finished material product transportation costs. Equipment may include, but not be limited to, tub grinders, primary or secondary milling equipment, dry kilns, and rail cars/locomotives.

Eligible project development activities that shall be considered for funding through a **subsidy** shall include, but not be limited to, land leases, off-/on-site infrastructure, and transportation costs of raw material. Off-/on-site infrastructure may include roadways, flood control, erosion control, utilities, rail track, rail switches, asphalt/concrete paving, and grading. Subsidized transportation costs are only allowed for the costs of moving the

raw material from the mountain areas to a processing site. A processing site is defined as a valid biomass drop-off point located **off** the mountain in San Bernardino County.

Project development activities that will **not** be funded include, but are not be limited to, building construction, biomass incineration, biomass landfilling, and/or biomass land farming.

### **GOALS OF THIS PROJECT**

The County of San Bernardino has undertaken this project to:

- Facilitate the processing, marketing and utilization of the woody biomass material resulting from fuels reduction activities in the Bark Beetle infested tree areas of San Bernardino County
- Fund projects that concentrate on existing and proven technologies to avoid time-laden research and development projects
- Fund projects that will lead to the economic use of materials removed during fuels management activities
- Fund projects that leverage private/public sector dollars
- Fund projects that encourage the facilitation to remove as much biomass from the San Bernardino mountain areas as quickly as possible

### **MINIMUM PROPOSER REQUIREMENTS**

All Proposers must:

- Have the capability to enter into a contract with the County (See Exhibit B);
- Meet the requirements as specified in this RFP;
- Have the administrative and fiscal ability to provide and manage the proposed activities and to ensure an adequate audit trail;
- Have the ability to maintain adequate files and records, which are subject to confidentiality requirements and meet statistical reporting requirements;
- Have the ability to monitor the project as required by the County (see Exhibit B)
- Have the ability to fulfill standard contract requirements, including indemnification and insurance (see Exhibit B);
- Have the capability to provide the proposed services; and
- Have a representative at the mandatory pre-proposal meeting as referenced in this RFP.

## **INSTRUCTIONS TO PROPOSERS**

### **Project Proposals**

Project proposals not prepared in accordance with the instructions detailed herein, may be disqualified for funding consideration. In order to evaluate all projects on a uniform basis, you are requested to conform to the proposal instructions and requirements.

Each proposal should be prepared simply and economically, and should provide a straightforward, concise description of the project proposed. The cost of preparation of the project proposal is solely the responsibility of the proposer.

### **Identification of Proposer**

Each proposal must state the full business name, address of the proposer, and must be signed by an authorized agent of the company. The primary contact and secondary contact information must include name, address, e-mail address (if available), phone number, and fax number.

### **County Contacts**

Kathleen Robles, ECD Specialist (Primary)  
Department of Economic and Community Development  
290 North D Street – Sixth Floor  
San Bernardino, CA 92415-0040  
(909) 388-0854  
Fax - (909) 388-0844  
[krobles@ecd.sbcounty.gov](mailto:krobles@ecd.sbcounty.gov)

or

Deborah Frye, Senior ECD Specialist (Secondary)  
Department of Economic and Community Development  
290 North D Street – Sixth Floor  
San Bernardino, CA 92415-0040  
(909) 388-0832  
Fax - (909) 388-0844  
[dfrye@ecd.sbcounty.gov](mailto:dfrye@ecd.sbcounty.gov)

## **Mandatory Pre-Proposal Conference**

**A MANDATORY PRE-PROPOSAL CONFERENCE will be held on  
Monday - May 24, 2004 at 9:00 a.m. at the following location:**

County of San Bernardino Workforce Investment and Business Resource Office  
215 North D Street – 2<sup>nd</sup> Floor  
Workforce Investment Board Hearing Room  
San Bernardino, CA

This meeting is mandatory for all proposers, or their representative, who will be submitting a project proposal. An update regarding the conditions of biomass removal in the San Bernardino Mountains shall be presented. **Project proposals will be rejected if submitted by any proposer who does not attend, or have a representative attend, the May 24, 2004 meeting.** Each proposer's attendance at this meeting shall be evidenced by the County's completed sign-in sheet. Each attendee must provide name, address, email address (if available), and company/firm he/she is representing. An attendee may represent more than one (1) company/firm.

Prospective proposers are encouraged to submit written questions in advance of the mandatory pre-proposal meeting to the County's Primary contact by either mail, e-mail, or fax. Subsequent to the mandatory pre-proposal meeting, the County will respond to questions or clarify issues raised, in writing. All written responses to questions by any proposer will be distributed to all prospective proposers.

## **Project Proposal Submittal and Content**

**It is the responsibility of each proposer to have their proposals submitted on time.  
Faxes will NOT be accepted.**

**PROJECT PROPOSALS must be RECEIVED by MONDAY, JUNE 14, 2004,  
no later than 4:00 P.M. to:**

County of San Bernardino  
Department of Economic and Community Development  
290 North D Street – Sixth Floor  
San Bernardino, CA 92415-0040  
Attn: Kathleen Robles

All project proposals shall be legible and typed if possible.

Proposers are required to include the following items in their project proposal and submit:

- Five (5) copies of the following:
  - Proposer's project proposal documents describing the management team and their qualifications, background, and technical experience, the company's experience, and as concise as possible, a description of the project proposed that includes how long the project is expected to operate using the Bark Beetle biomass, the prospect of the project remaining operational without the Bark Beetle biomass, the number of jobs expected to be created, and the number of tons of raw materials to be processed daily and the number of board-feet of product produced daily and/or the number of tons (if not in board-feet) of product to be produced daily.
  - **Detailed** project costs that include the sources and uses of all funds and the amount of owner equity to be in the project.
  - A timeline showing project implementation through project operational start-up.
  - A list of all applicable contractor licenses with registration numbers and expiration date.
  - A completed Project Summary (Exhibit C).
  - Any additional documents/proposal materials which the proposer deems relevant for the evaluation of their project and qualifications.
- For those projects that are applying for a loan and/or subsidy to be funded as a result of this RFP, submit one (1) copy of the following in a SEALED envelope clearly marked CONFIDENTIAL FINANCIAL APPLICATION AND DOCUMENTS (the County can only guarantee confidentiality if the envelope is SEALED at the time of project proposal submittal):
  - A completed loan/subsidy application (Exhibit D)
  - Articles of Incorporation with By-Laws; or Partnership Agreement; or Limited Liability Company Article of Organization.
  - Resume of owner(s) involved in the business.
  - Business Balance Sheet and Profit and Loss Statements for the prior three (3) years for a business loan request of \$50,000 or more; two (2) years for business loan request of \$50,000 or less.
  - Interim Balance Sheet and Profit and Loss Statements for the most recent quarter.
  - Copy of current/proposed lease on business property including assessor's parcel number, if applicable.
  - Business Project Narrative or Business Plan to include a brief business history with sources and uses of loan/subsidy funds.
  - Financial projection covering three (3) years on a business loan request of \$50,000 or more; one (1) year for a business loan request of \$50,000 or less.
  - Personal Financial Statement from all business owners.



- Business Federal tax returns are required for the prior three (3) years on a business loan request of \$50,000 or more; two (2) years for a business loan request of \$50,000 or less. (*State tax returns are not required*)
- Personal Federal tax returns are required for the prior three (3) years. The tax returns should include all supporting schedules and statements for each business owner. (*State tax returns are not required*)
- IRS Form 4506 Request for Transcript of Tax Form (Sign and Return to the Department)
- Provide any additional information you feel may be helpful.

If a proposer's project is not selected for funding consideration, the sealed envelope shall be returned to the proposer unopened.

Project Proposals are subject to disqualification if the submitted proposal has any of the above materials omitted.

### **California Public Records Act**

All information submitted in the proposal or in response to request for additional information is subject to disclosure under the provisions of the California Public Records Act, Government Code Section 6250 and following. Proposals may contain financial or other data which constitutes a trade secret. To protect such data from disclosure, proposers should specifically segregate the financial information described above and identify the pages that contain confidential information by properly marking the applicable pages and inserting the following notice on the front of its response:

### **NOTICE**

The data on pages\_\_\_\_\_ of this Proposal response, identified by an asterisk (\*) or marked along the margin with a vertical line, contains information which are trade secrets. We request that such data be used only for the evaluation of our response, but understand that disclosure will be limited to the extent that the County of San Bernardino determines is proper under federal, state, and local law.

The proprietary or confidential data shall be readily separable from the Proposal in order to facilitate eventual public inspection of the non-confidential portion of the Proposal. The County assumes no responsibility for disclosure or use of unmarked data for any purpose. In the event disclosure of properly marked data is requested, the Vendor will be advised of the request and may expeditiously submit to the County a detailed statement indicating the reasons it has for believing that the information is exempt from disclosure under federal, state and local law. This statement will be used by the County in making its determination as to whether or not disclosure is proper under federal, state and local law. The County will exercise care in applying this confidentiality standard but will not be held liable for any damage or injury which may result from any disclosure that may occur.

## **PROJECT PROPOSAL EVALUATION**

Each project proposal received shall be evaluated based on the following (not listed in order of priority for project evaluation):

- Initial determination of compliance with RFP requirements.
- Experience of proposer's team.
- Management team qualifications.
- Estimated amount of the biomass to be used.
- Number of jobs to be created.
- Timeliness of project operational start-up if funding is received.
- The ability to provide the use of land (through acquisition, lease, or license agreement, etc. for the use of land)
- Demonstration of ability to secure contracts for the use of the wood products (or demonstrating that contracts are already in existence)
- Total project cost.
- Amount of funds requested from the County.
- Amount of owner equity injected.
- Amount of other financing required.
- How long the project is expected to operate using Bark Beetle biomass.
- Prospect of project remaining operational without Bark Beetle biomass.

The County reserves the right to select proposers for interviews at any time during the evaluation process.

## **PROJECT SELECTION**

Based on the evaluation of each project proposal, the selection of the projects for funding shall be determined by the County's Sub-Group for Tree Mortality based on, but not limited to, the following (not listed in order of priority for project selection):

- The amount of biomass to be used vs. the amount of funds requested from the County
- The percentage of owner equity injected into the project vs. the amount of funds requested from the County.
- The percentage of owner equity injected into the project vs. the total cost of the project of the project.
- The percentage of owner equity injected into the project vs. the amount of other funding required.
- Consideration for funding will be based upon what is best for the citizens of the County as determined by the County's Sub-Group on Tree Mortality and the Board of Supervisors.
- Projects that show the most volume of biomass removed from the mountains at the lowest price with the greatest economic impact will be more desirable to fund.
- Projects that leverage the most funds and are loans, as opposed to subsidies, will

- be more desirable to fund.
- The project site **MUST** be located in San Bernardino County or one of its incorporated cities/towns.
- The ability to provide the use of land (through acquisition, lease, or license agreement, etc. for the use of land)
- Demonstration of ability to secure contracts for the use of the wood products (or demonstrating that contracts are already in existence)

The County reserves the right to select proposers for interviews at any time during the selection process.

The County reserves the right to offer or decline a funding request.

### **METHOD OF AWARD**

Any and all funding is contingent upon availability of funds.

The County of San Bernardino reserves the right to make an award of any proposal received any time up to six (6) months from the date of proposal opening.

All funding awards are subject to County Board of Supervisors approval. The County reserves the right to make no awards if it is in its best interest.

- The County reserves the right to select proposers for interviews at any time during the award process.
- Once a project is selected for recommendation of an award, the proposer's financial responsibility and credit worthiness will be determined.
- Once the proposer's financial responsibility and credit worthiness is determined adequate, an agreement will be negotiated with the proposer and if successful, the project will be recommended to the Board of Supervisors for funding.
- Prior to award of funds, the proposer must demonstrate the availability of a site for the proposed project.
- Prior to the award of funds, the proposer must show proof of secured wood contracts required for project success.
- Those proposers not successful in selection shall be notified by mail.

## **APPEALS/DISPUTES**

All proposers are given the opportunity to appeal project selection funding recommendations. Proposer may appeal the recommended award or denial of award, provided the following stipulations are met:

- a. Appeal request must be in writing.
- b. Must be submitted within ten (10) calendar days of the date of the recommended award or denial of award letters, as applicable.

An appeal of a denial of award can only be brought on the following grounds:

- a. Failure of the County to follow the selection procedures and adhere to requirements specified in the RFP or any addenda or amendments.
- b. There has been a violation of conflict of interest as provided by California Government Code Section 87100 et seq.
- c. A violation of State or Federal law.

Appeals will not be accepted for any other reasons than those stated above. All appeals must be sent to:

County of San Bernardino  
Department of Economic and Community Development  
ATTN: Thomas R. Laurin, Director  
290 North D Street – Sixth Floor  
San Bernardino, CA 92415-0040

## **COMPLAINTS TO USDA**

*“In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs.)*

*To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.”*

## DEFINITIONS

<b>Biomass</b>	Bark Beetle wood/slash
<b>Funding</b>	Funding shall be considered any monetary loan/subsidy received as a result of this RFP.
<b>Processing site</b>	A valid biomass drop-off point located <b>off</b> the mountain in San Bernardino County.
<b>Project Proposal (Project)</b>	Proposals received under this RFP
<b>Project Proposer (Proposer)</b>	The company(ies) or person(s) submitting a project for financial consideration under this RFP.
<b>USFS Grant</b>	United States Forest Service Grant awarded to the County of San Bernardino

# EXHIBIT A – PORTION OF COUNTY’S SOUTHERN CALIFORNIA DROUGHT ASSISTANCE FUNDS RURAL DEVELOPMENT PROGRAM (SPEA) GRANT APPLICATION

1. GRANT PROGRAM	Southern California Drought Assistance Funds Rural Development Program (SPEA)
2. PROJECT TITLE	<i>Infested Bark Beetle Wood Utilization Program</i>
3. PROJECT COORDINATORS	<p><b>APPLICANT AGENCIES:</b></p> <p><b>County of San Bernardino</b>  Department of Economic and Community Development (ECD)  Thomas R. Laurin, Director (909) 388-0808 FAX (909) 388-0844  <a href="mailto:TLaurin@ecd.sbcounty.gov">TLaurin@ecd.sbcounty.gov</a>  Brian Turnbull, Acting Assistant Director (909) 388-0855  <a href="mailto:Bturnbull@ecd.sbcounty.gov">Bturnbull@ecd.sbcounty.gov</a>  Deborah Frye, ECD Specialist (909) 388-0832  <a href="mailto:Dfrye@ecd.sbcounty.gov">Dfrye@ecd.sbcounty.gov</a>  Kathleen Robles, ECD Specialist (909) 388-0854  <a href="mailto:Krobles@ecd.sbcounty.gov">Krobles@ecd.sbcounty.gov</a>  290 North D Street – Sixth Floor  San Bernardino, Ca 92415-0040</p> <p>Solid Waste Management  Peter H. Wulfman, Division Chief (909) 386-8703  <a href="mailto:Pwulfman@swmd.sbcounty.gov">Pwulfman@swmd.sbcounty.gov</a>  222 West Hospitality Lane – Second Floor  San Bernardino, CA 92415</p> <p><b>USDA FOREST SERVICE – REGION 5:</b>  USDA Forest Service  Bruce Goines (707) 562-8910  <a href="mailto:Bgoines@fs.fed.us">Bgoines@fs.fed.us</a>  1323 Club Drive  Vallejo, CA 94592  FAX (707) 562-9054</p>

#### 4. STATEMENT OF NEED

Millions of dead and dying trees cover approximately 350,000 acres of the San Bernardino Mountain Area. Bark Beetles, feasting on over-crowded and moisture-stressed trees, may eventually kill 90% of the pine trees in the forests. Additionally, this drought-induced infestation has been subjected to daily updraft of polluted air from the Inland Empire cities around San Bernardino, predisposing the region's forests to the current epidemic.

Dead and dying Bark Beetle infested pine trees pose a serious threat to the health, safety, and well being of the mountain areas of the County of San Bernardino. The threat from the Bark Beetle, and the destruction that will result should a wildfire start, will continue to exist until the dead and dying trees are felled and removed from the mountain areas.

Total destruction has already been seen in the aftermath of the horrific firestorms that ravaged the San Bernardino and San Gabriel Mountain ranges in October 2003, almost burning 25% of the forest and yet only accounting for 5% of the infected trees. In San Bernardino County alone, the human, financial, and economic losses were staggering - the death toll reached six, 12 firefighters injured, thousands of residents evacuated, over 1,100 homes lost, ten businesses destroyed, the cost to fight the fires exceed \$55 million, and damage to our watershed is estimated to be over \$1.5 billion.

Burning and/or land filling the felled trees/slash are not viable courses of action. While prescribed burning can help, it is too dangerous to rely on due to its unpredictability and the danger of a burn in an overgrown forest, and brings with it air quality and health risks that prevent its widespread use. Land filling trees/slash is not a practical solution due to the costs associated with processing the material for disposal.

Local capacity for logging and processing forest lumber material exists, but on such a small scale that it cannot handle the massive amounts of timber/slash required to be processed at this time and in the future to mitigate the threat. Market conditions do not appear to show promise for the large private investment required for processing the large inventory of dead and dying trees without assistance.

Even with the knowledge that the fire danger is critical, County taxpayers cannot alone alleviate the threat – additional funding is critical to engage in public-private partnerships. Funds will be used for seed money to induce private development, develop private-public partnerships, and assist in the public investment to nurture and build the ability for prudent and timely timber removal and value added processing.

The scope and magnitude of the devastation from the Bark Beetle outbreak is unprecedented in recorded history. At least 60% of the trees are dead in County's forests, and as many as 90% of the trees are likely to die by next year when the bark beetle epidemic slows down for lack of food. We must expedite the removal of dead and dying trees to reduce a fire threat of catastrophic proportions. Grant assistance will provide a portion of the public funds required to develop, attract and maintain critical private sector investment that is necessary for a market driven response to be successful.

## **5. GOALS AND OBJECTIVES**

The following goals and objectives are consistent with the grant guidelines in that each goal is aimed towards the timely movement of the wood off the mountains and into a value added product. Public outreach efforts will be designed to comply with the guidelines of this grant and projects that leverage public/private partnerships shall be encouraged. All projects funded with these grant monies shall make every effort to utilize all wood waste and it shall not be the intent of any project under this grant to purposely dispose of wood materials in a manner inconsistent with the guidelines of this grant.

No grant funds shall be used to promote open burning, incineration, or lopping and scattering. Additionally, no project funded with these grant monies shall be used to support fuels reduction programs such as tree felling, bucking, or removal, which can be performed with other fuels reduction funds.

### **GOAL**

- Facilitate the processing, marketing and utilization of the woody biomass material resulting from fuels reduction activities in the Bark Beetle infested tree areas of San Bernardino County

### **OBJECTIVES**

- Construct Lake Arrowhead Log Storage Lot Improvements
- Purchase Milling Metal Detector and Other Ancillary Equipment
- Compile Bark Beetle Wood Utilization Market Assessment/Expansion Analysis for Logging/Wood Marketers and Assist/Implement Government Liaison Efforts
- County to Sponsor Seminars/Conferences/Training

### **GOAL**

- Fund projects that shall, in all cases possible, concentrate on existing and proven technologies to avoid time-laden research and development projects

### **OBJECTIVES**

- Loans/Subsidies to Assist Public/Private Processing Operations – i.e., Sawmills/Co-Gen Plants/Sorting Yards with Rail Access and Other Related Projects
- Purchase Milling Metal Detector and Other Ancillary Equipment
- County to Sponsor Seminars/Conferences/Training
- Compile Bark Beetle Wood Utilization Market Assessment/Expansion Analysis for Logging/Wood Marketers and Assist/Implement Government Liaison Efforts

### **GOAL**

- Fund projects that will lead to the economic use of materials removed during fuels management activities

### **OBJECTIVES**

- Loans/Subsidies to Assist Public/Private Processing Operations – i.e., Sawmills/Co-Gen Plants/Sorting Yards with Rail Access and Other Related Projects
- Compile Bark Beetle Wood Utilization Market Assessment/Expansion Analysis for Logging/Wood Marketers and Assist/Implement Government Liaison Efforts
- County to Sponsor Seminars/Conferences/Training



<p><b>5. GOALS AND OBJECTIVES (CON'T)</b></p>	<p><b>GOAL</b></p> <ul style="list-style-type: none"> <li>➤ Fund projects that leverage private/public sector dollars</li> </ul> <p><b>OBJECTIVES</b></p> <ul style="list-style-type: none"> <li>➤ Construct Lake Arrowhead Log Storage Lot Improvements</li> <li>➤ Loans/Subsidies to Assist Public/Private Processing Operations – i.e., Sawmills/Co-Gen Plants/Sorting Yards with Rail Access and Other Related Projects</li> <li>➤ Purchase Milling Metal Detector and Other Ancillary Equipment</li> <li>➤ County to Sponsor Seminars/Conferences/Training</li> <li>➤ Compile Bark Beetle Wood Utilization Market Assessment/Expansion Analysis for Logging/Wood Marketers and Assist/Implement Government Liaison Efforts</li> </ul> <p><b>GOAL</b></p> <ul style="list-style-type: none"> <li>➤ Coordinate efforts with other Counties to assist them with their goals and objectives as they relate to the activities as stated in this grant application.</li> </ul> <p><b>OBJECTIVES</b></p> <ul style="list-style-type: none"> <li>➤ Offer County assistance to other Counties in their Loans/Subsidies Assistance to Public/Private Processing Operations – i.e., Sawmills/Co-Gen Plants/Sorting Yards with Rail Access and Other Related Projects</li> <li>➤ Partnership, when practical, with other Counties towards San Bernardino County Sponsors Seminars/Conferences/Training</li> <li>➤ Share information obtained from the Bark Beetle Wood Utilization Market Assessment/Expansion Analysis for Logging/Wood Marketers and Assist/Implement Government Liaison Efforts</li> </ul>
<p><b>6. Specific Activities, Workplan And Timeline</b></p>	<p><b>AMOUNT: \$2,500,000</b></p> <p><b>2) ACTIVITY: Loans/Subsidies to Assist Public/Private Processing/Operations and Related Projects</b></p> <p><b>LEAD AGENCY:</b> County of San Bernardino Department of Economic and Community Development (ECD)</p> <p><b>DESCRIPTION OF ACTIVITY:</b> Establish a low interest loan and/or subsidy to develop a Wood Processing/Operations Revolving Loan Fund (WPO) financing program for the development of projects that result in timely movement of material to value-added uses such as, but not limited to: sawmills, co-generation plants, sorting yards, rail track storage and/or access (including rail switch), equipment, and other processing operations as identified. Development activities (such as: engineering, site infrastructure, power, water, roads, flood control, wood processing related equipment – tub grinders, primary or secondary milling equipment, dry kilns, and/or log/lumber storage sheds) would be applicable except for building construction. Additional activities that may be funded are: transportation costs, land purchase/leasing costs, on/off-site improvements, and ancillary facilities, such as, but not limited to: chipping, hog fuel creation, and bark stripping. All projects shall be evaluated on a case-by-case basis using specific criteria as described below in Section (d).</p>

**6. Specific Activities, Workplan And Timeline (con't)**

The components of WPO shall be as follows:

- a. Written proposals shall be requested
  - Through the RFP process
  - Via County outreach activities
  - Word of mouth, etc.
- b. For each proposal received, ECD shall perform the following:
  - Review proposal for compliance with grant guidelines
  - Credit analysis
  - Project review
  - Management team review
  - Site visit
- c. Each proposal shall comply with the guidelines of this grant and be credit worthy with a capable management team on board prior to going on to the Loan Committee.
- d. The Loan Committee (LC) shall be established to:
  - Review proposal for technical concerns/issues
  - Prioritize proposals for funding using the following criteria:
    1. Number of board feet expected to be milled
    2. Longevity of operations if wood is made available to them
    3. Number of jobs created
    4. Multi-County operation
    5. Prospect of staying and continuing operations after Bark Beetle threat has passed
- e. Guidelines for monitoring and evaluating the WPO shall be in accordance with already established Department of Housing and Urban Development (HUD) procedures as detailed in the “Operations Manual, County of San Bernardino Business Revolving Loan Funds” (Exhibit B).

The Loan Committee shall consist of representatives from the following:

- County Administrative Office
- County Administrative Office - ED/PSG
- Office of Emergency Services
- County Fire Department
- County Fire Warden
- Department of Public Works
- Department of Public Works – Solid Waste Management Division (SWMD)
- Department of Economic and Community Development (ECD)
- First Supervisorial District
- Second Supervisorial District
- Third Supervisorial District
- USDA Forest Service, Rural Development Program Manager, Bruce Goines – ex officio member, or designee
- University of California at Berkeley, Biomass Advisor – Forest Products Laboratory, John Shelly – ex officio member, or designee

**6. Specific Activities, Workplan And Timeline (con't)**

For the purposes of discussion and information sharing at Loan Committee meetings, ex officio members of the TMG Sub-Group will be Bruce Goines (707 562-8910), Rural Development Program Manager, USDA Forest Service and John Shelly (510-231-9414), Biomass Advisor, Forest Product Laboratory, UC Berkeley.

The ECD currently accepts funding proposals from private and public entities involved in wood waste removal and product development from our Mountain Communities for funding consideration through our existing lending programs. These funds are overextended and this application proposes to set up a separate revolving loan fund solely for projects processing wood waste and/or developing and manufacturing value-added products resulting from the fuel reduction activities in our Mountain region. Funded activities would include log sorting yards, sawmills, co-generation plants, and related machinery/equipment purchases and other related development related to their operation.

Using a variety of outreach methods including current business loan program applicants, referrals from lending institutions, utilities and fire/forestry related agencies and conventional advertising outlets/resources used by the County, a pool of applicants with eligible funding requests will be solicited for review and consideration on first-come first-served basis. All applicants will be asked to submit an initial application form with required financial and project information to start the formal review process. ECD will prepare a confidential credit analysis to determine the applicant's capacity to complete the proposed project. A business plan and proforma (when necessary) will be reviewed as well.

Applicants meeting requirements will be assisted in developing a financing proposal/grant request and, if recommended for financing, will be forwarded to the Sub-Group on Tree Mortality Grants (TMG) acting as a loan review committee and clearinghouse approving projects for funding consideration by the County Board of Supervisors.

Factors taken into consideration for funding recommendation include credit worthiness, capacity/experience of the project proponents, and timeliness in implementing the projects. Competing priorities will be reviewed and discussed before a list of recommended projects will be prepared and packaged for Board of Supervisors review and approval.

The WPO Activity may be augmented by the County's existing loan programs. Therefore, this Activity may use existing County loan programs to leverage project success whenever possible. The County shall have the option to fund projects using either existing County loan programs, the WPO established through this grant, or both.

If a company wishes to take advantage of the County's WPO through this grant, and is located outside of San Bernardino County, only funds from this established WPO can be used. Funds from this WPO may be used in conjunction with other loans/incentives offered by other Governmental Agencies.

**TIME FRAME:** County ECD is currently reviewing all unsolicited proposals for processing operations as identified above. cursory due diligence, underwriting, and credit analysis is being conducted on those that appear promising and several proposals contain the right ingredients for a successful financing arrangement (applicants have experience, healthy credit, resources for equity participation, leverage of other private funding resources, job development, and a well-developed business plan that markets and sells their wood product).

**6. Specific  
Activities,  
Workplan And  
Timeline (con't)**

A Request For Proposal (RFP) may be issued as the determination is made that there is a need for additional projects to be funded. If an RFP is issued, it shall be issued upon the approval of this grant application.

**PROCUREMENT PROCESS:** The RFP process shall be conducted in accordance with San Bernardino County's Procurement Policy (Exhibit A).

# EXHIBIT B – COUNTY CONTRACT REQUIREMENTS

The firm selected is required to agree to the terms contained below. If a proposer should have any objections, these objections must be addressed in the project proposal submitted or objections will be deemed to have been waived.

## 1. Indemnification and Insurance Requirements

### a. Indemnification

The Vendor agrees to indemnify, defend and hold harmless the County and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this Contract from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the County on account of any claim therefore, except where such indemnification is prohibited by law.

### b. Insurance

Without in any way affecting the indemnity herein provided and in addition thereto, the Vendor shall secure and maintain throughout the Contract the following types of insurance with limits as shown:

1) **Workers' Compensation** - A program of Workers' Compensation insurance or a State-approved Self-Insurance Program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with \$250,000 limits, covering all persons providing services on behalf of the Vendor and all risks to such persons under this Agreement.

2) **Comprehensive General and Automobile Liability Insurance** – This coverage to include contractual coverage and automobile liability coverage for owned, hired and non-owned vehicles. The policy shall have combined single limits for bodily injury and property damage of not less than one million dollars (\$1,000,000).

3) **Errors and Omissions Liability Insurance** - Combined single limits of \$1,000,000 and \$3,000,000 in the aggregate or

4) **Professional Liability** - Professional liability insurance with limits of at least \$1,000,000 per claim or occurrence.

### c. Additional Named Insured

All policies, except for the Workers' Compensation, Errors and Omissions and Professional Liability policies, shall contain additional endorsements naming the County and its officers, employees, agents and volunteers as additional named insured with respect to liabilities arising out of the performance of services hereunder.

**d. Waiver of Subrogation Rights**

Vendor shall require the carriers of the above-required coverage to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, Vendors and subcontractors.

**e. Policies Primary and Non-Contributory**

All policies required above are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the County.

**f. Proof of Coverage**

Vendor shall immediately furnish certificates of insurance to the County Department administering the Contract evidencing the insurance coverage, including endorsements, above required prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and Vendor shall maintain such insurance from the time Vendor commences performance of services hereunder until the completion of such services. **Within sixty (60) days of the commencement of this Agreement, the Vendor shall furnish certified copies of the policies and all endorsements.**

**g. Insurance Review**

The above insurance requirements are subject to periodic review by the County. The County's Risk Manager is authorized, but not required, to reduce or waive any of the above insurance requirements whenever the Risk Manager determines that any of the above insurance is not available, is unreasonably priced, or is not needed to protect the interests of the County. In addition, if the Risk Manager determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Risk Manager is authorized, but not required, to change the above insurance requirements, to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the County, inflation, or any other item reasonably related to the County's risk.

Any such reduction or waiver for the entire term of the Agreement and any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. Vendor agrees to execute any such amendment within thirty (30) days of receipt.

**2. Subcontracting**

Vendor agrees not to enter into any subcontracting agreements for work contemplated under the Contract without first obtaining written approval from the County. Any subcontractor shall be subject to the same provisions as Vendor. Vendor shall be fully responsible for the performance of any subcontractor.

### **3. Former County Officials**

Vendor agrees to provide or has already provided information on former County of San Bernardino administrative officials (as defined herein) who are employed by or represent Vendor. The information provided must include a list of former county administrative officials who terminated county employment within the last five years and who are now officers, principals, partners, associates or members of the business. Should also include the employment and/or representative capacity and the dates these individuals began employment with or representation of your business. For purposes of this section, “county administrative official” is defined as a member of the Board of Supervisors or such officer’s staff, County Administrative Officer or member of such officer’s staff, county department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit.

### **4. Inaccuracies or Misrepresentations**

If in the course of this procurement or in the administration of a resulting contract, the County determines that the Proposer has made a material misstatement or misrepresentation or that materially inaccurate information has been provided to the County, the Proposer may be terminated from the procurement process or in the event a contract has been awarded, the contract may be immediately terminated. In the event of a termination under this provision, the county is entitled to pursue any available legal remedies.

### **5. Disclosure of Civil and Criminal Proceedings**

The County reserves the right to request the information described herein from the Proposer selected for Contract award. Failure to provide the information may result in a disqualification from the selection process and no award of contract to the Proposer. The County also reserves the right to obtain the requested information by way of a background check performed by an investigative firm. The selected Proposer also may be requested to provide information to clarify initial responses. Negative information provided or discovered may result in disqualification from the selection process and no award of contract.

The selected Proposer may be asked to disclose whether the firm or any of its partners, principals, members, associates or key employees (as that term is defined herein), within the last ten years, has been indicted on or had charges brought against it or them (if still pending) or convicted of any crime or offense arising directly or indirectly from the conduct of the firm’s business, or whether the firm, or any of its partners, principals, members, associates or key employees, has within the last ten years, been indicted on or had charges brought against it or them (if still pending) or convicted of any crime or offense involving financial misconduct or fraud. If the response is affirmative, the Proposer will be asked to describe any such indictments or charges (and the status thereof), convictions and the surrounding circumstances in detail.

In addition, the selected Proposer may be asked to disclose whether the firm, or any of its partners, principals, members, associates or key employees, within the last ten years, has been the subject of legal proceedings as defined herein arising directly from the provision of services by the firm or those individuals. “Legal proceedings” means any civil actions filed in a court of competent jurisdiction, or any matters filed by an administrative or regulatory

body with jurisdiction over the firm or the individuals. If the response is affirmative, the Proposer will be asked to describe any such legal proceedings (and the status and disposition thereof) and the surrounding circumstances in detail.

For the purposes of this provision “key employees” includes any individuals providing direct service to the County. “Key employees” do not include clerical personnel providing service at the firm’s offices or locations.

**6. Conflict of Interest**

Vendor shall make all reasonable efforts to ensure that no County office or employee, whose position in the County enables him/her to influence any award of this Contract or any competing offer, shall have any direct or indirect financial interest resulting from the award of this Contract or shall have any relationship to the Vendor or officer or employee of the Vendor.

**7. Contract Compliance**

Vendor agrees to comply with the provisions of Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, San Bernardino County Emerging Small Business Enterprise Policy 15-01, and any other applicable federal, state and county laws, regulations, and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted. Information on these rules and regulations may be obtained from the Human Services System Contracts Office at (909) 388-0255.

**8. Right to Monitor and Audit**

- a. **Right to Monitor** - The COUNTY or any subdivision or appointee thereof, the State of California, and HUD or any subdivision or appointee thereof, including the Auditor General, shall have absolute right to review and audit all records, books, papers, documents, corporate minutes, and other pertinent items as requested, and shall have absolute right to monitor the performance of CONTRACTOR in the delivery of services provided under this Agreement. CONTRACTOR shall give full cooperation, in any auditing or monitoring conducted. CONTRACTOR shall cooperate with the COUNTY in the implementation, monitoring and evaluation of this agreement and comply with any and all reporting requirements established by the COUNTY.
- b. **County Monitoring of Work** - The COUNTY may monitor and review CONTRACTOR’s performance of the terms of this Agreement any time. In the event the COUNTY determines that CONTRACTOR’S performance of its duties or other terms of this Agreement are deficient in any manner, COUNTY will notify CONTRACTOR of such deficiency in writing or orally, provided written confirmation is given five (5) days thereafter. CONTRACTOR shall remedy any deficiency within forty-eight (48) hours of such notification, or COUNTY at its option, may terminate this Agreement immediately upon written notice, or remedy deficiency and off set the cost thereof from any amounts due the CONTRACTOR under this Agreement or otherwise.



- c. **Availability of Records** - All records pertaining to services delivered and all fiscal, statistical and management books and records shall be available for examination and audit by COUNTY, Federal and State representatives for a period of three years after final payment under the Agreement or until all pending COUNTY, State and Federal audits are completed, whichever is later.
- d. **Assistance By CONTRACTOR** -The CONTRACTOR shall provide all reasonable facilities and assistance for the safety and convenience of the COUNTY's representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not duly delay the work of the CONTRACTOR.

## EXHIBIT C – PROJECT SUMMARY

Please answer the following questions. An incomplete Project Summary may disqualify your project proposal.

<b>Name of Proposer</b>			
<b>Name of Project</b>			
<b>Brief description of project (i.e. sawmill, sorting yd, chipping, etc)</b>			
<b>How long is the project expected to operate using Bark Beetle biomass?</b>			
	<b>yrs</b>		
<b>Prospect of the project remaining operational without Bark Beetle biomass?</b>			
	<b>yrs</b>		
<b>What is the time period between project implementation and project operational start-up?</b>			
	<b>days</b>		
<b>Total project cost</b>	\$		
<b>Amount of owner equity injected</b>	\$		
<b>Amount of other financing required</b>	\$		
<b>Amount of funds requested from the County</b>	\$		
<b>Number of board-feet of product to be produced daily</b>	<b>bd-ft/day</b>		
<b>Number of tons of product to be produced daily</b>	<b>tons/day</b>		
<b>Number of tons of raw materials to be processed daily</b>	<b>tons/day</b>		
<b>Number of jobs to be created</b>			



## EXHIBIT D – LOAN/SUBSIDY APPLICATION

### **Financial Statements Are Required**

The purpose of the Pre-Application is to facilitate the processing of your project requests with the minimum impact on your time. The process involves early identification of project feasibility and thereby relieves you of the added investment of time and money to process the normal package of financial documentation if the project is not appropriate for a San Bernardino County financing loan program.

Please complete this form and submit it along with the attached list of loan documents required and a brief summary of the project. Individuals, or other entities, for which audited statements are not available, attach certified balance sheets and/or federal tax returns for the most recent three years.

### INFORMATION ABOUT YOUR FIRM

Name of Firm \_\_\_\_\_ Federal ID No. \_\_\_\_\_

Address of Firm \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Proposed Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Primary Contact \_\_\_\_\_ Title \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_

Years in Business \_\_\_\_\_

Brief Description of Your Firm's Business/Services \_\_\_\_\_

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Legal Status of Your Firm : ? Sole Proprietorship ? Partnership ? Corporation ? Other \_\_\_\_\_

### INFORMATION ABOUT YOUR PROJECT

Brief Description of Proposed Project \_\_\_\_\_

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Are you Relocating? ? Yes ? No

If yes, from \_\_\_\_\_

New Project Site Will Be:

? Manufacturing Facility  
? Distribution Facility  
? Warehouse

? Land for Development  
? Office Complex  
? Other \_\_\_\_\_

**USES OF FUNDS**

Property Acquisition      \$ \_\_\_\_\_  
Construction                \$ \_\_\_\_\_  
Tenant Improvements      \$ \_\_\_\_\_  
Machinery & Equip.        \$ \_\_\_\_\_  
Furniture/Fixtures         \$ \_\_\_\_\_  
Other (Specify \$)            \$ \_\_\_\_\_  
  
TOTAL                        \$ \_\_\_\_\_

**SOURCE OF FUNDS**

Private Loan                \$ \_\_\_\_\_  
County Loan                \$ \_\_\_\_\_  
Owner Equity               \$ \_\_\_\_\_  
Other                         \$ \_\_\_\_\_  
Other                         \$ \_\_\_\_\_  
  
TOTAL                        \$ \_\_\_\_\_

What percent (%) of the building will your business occupy? \_\_\_\_\_ %

What private lender will participate \_\_\_\_\_

Lender's Contact Person \_\_\_\_\_ Phone (    ) \_\_\_\_\_

Names & Addresses of Affil. Bus. \_\_\_\_\_

\_\_\_\_\_

Referral From \_\_\_\_\_

**Public Benefit Information**

Current Number of Employees \_\_\_\_\_ How Many Jobs Will Be Created at New Site within 2-Years? \_\_\_\_\_

**Other Pertinent Information**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

## **EXHIBIT E – REPORTING**

Progress reports shall be submitted to the County on a quarterly basis that address, at a minimum, the following:

- a. Number of jobs created
- b. If not burdensome for the operator to track
  - number of board feet milled
  - amount of tonnage processed
  - amount of wood waste recycled
  - amount of wood waste disposed and disposal method